RECENT IMPORTANT DECISIONS

AGENCY—ACCOUNTING FOR PROCEEDS OF ILLEGAL CONTRACT OF SALE OF INTOXICATING LIQUORS.—Following the decision of the United States Supreme Court that the Wilson Act did not affect interstate shipments of liquor until final delivery by the carrier, *Rhodes* v. *Iowa,* 170 U. S. 412, (1898), Congress passed the Webb-Kenyon Act, 37 Stat. at L. 699 (1913). Meantime, in 1913, 35 Stat. at L. 1136, Sec. 239, it was enacted that it should be a penal offense for any carrier or other agent, in connection with the interstate carriage of intoxicating liquors, to collect the purchase price from the consignee, or in any manner act as agent of buyer or seller, except in the actual transportation or delivery thereof. After this act carriers and banks refused to act as collection agents in such sales, and dealers resorted to the plan of consigning liquor which had been ordered from prohibition states, to their own order, mailing the bill of lading to an agent, with instructions to deliver the same upon payment of the accompanying draft by the purchaser. In *Danciger* v. *Cooley,* U. S. Supreme Court, Adv. O. 139, Jan. 7, 1919, it was held that this was in violation of Sec. 239, *supra,* and of course illegal. The shipment was made before 1913, and so did not involve the Webb-Kenyon Act.

The Kansas Supreme Court, 98 Kan. 38, 484, from which this case was an appeal, had decided that the transaction was an illegal sale, and therefore the principal could not collect from the agent the proceeds of the violation of the law. On this point the Federal Court held the right of a principal to recover such money from an agent was a question of local law and could not be re-examined by the court.

It is a general rule that an agent cannot dispute his principal's title, and this is so even when the agent seeks to set up the illegality of the transaction. He cannot for that reason steal the money and set his principal at defiance. *Baldwin Bros.* v. *Potter,* 46 Vt. 402. But the courts are not in agreement on this matter, especially where the principal is engaged in a business that is against the public policy of the State. *Mexican Int. Banking Co.* v. *Lichtenstein,* 10 Utah 338 (a lottery business). The Kansas court agrees with this view and does not limit it to cases involving public policy. *Alexander* v. *Barker,* 64 Kan. 396.

BILLS AND NOTES—CERTIFICATES OF DEPOSIT.—A certificate of deposit was purchased by a bank 11½ months after its date. It was issued "subject to the rules of the Savings Department," as it showed on its face. It bore interest if left 6 months, but interest was to cease one year from date. *Held,* the certificate was negotiable and was taken by the bank in due course, since (1) subjecting it to the rules of the Savings department did not make it payable out of a particular fund nor deprive it of the requisite certainty, (2) although it was in effect a promissory note payable on demand, the reasonable time within which it was required to be presented was indicated by the time at which interest ceased, namely, 12 months from date. *White* v. *Wadhams,* (Mich. 1918) 170 N. W. 60.